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ABSTRACT

In response to legislative mandate, this report assesses the impact of student charges on access to public postsecondary education and provides policy recommendations. Part I of the report summarizes the state's goals for postsecondary education, reviews past policies for achieving these goals, and outlines future options in a time of financial constraint. Part II presents six recommendations and the principles upon which they are based for maintaining access, high quality, and equitable student charges through explicitly defined state policies and shared individual and public support for postsecondary education. Part III offers four recommendations in response to the legislature's concerns about the distribution of financial aid to students, the use of revenues from student charges, and the impact of student charges on the roles and missions of the segments of the postsecondary system within the state's master plan. Part IV provides a brief conclusion pointing out the strengths and limitations of the recommendations. Appendices include a list of discussion papers provided by the California Postsecondary Education Commission's advisory committee, resource documents, and data on appropriations and enrollments in California postsecondary education for 1979-80 to 1981-82. Responses to the report by members of the Commission's advisory committee are included as requested by the California legislature. (Author/HB)

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STUDENT CHARGES, STUDENT FINANCIAL AID, AND ACCESS TO POSTSECONDARY EDUCATION

A REPORT TO THE GOVERNOR AND THE LEGISLATURE IN RESPONSE TO ASSEMBLY CONCURRENT RESOLUTION 81

JC 820 196

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STUDENT CHARGES,
STUDENT FINANCIAL AID,
AND ACCESS TO POSTSECONDARY EDUCATION

A Report to the Governor and the Legislature
in Response to Assembly Concurrent Resolution 81

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
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INTRODUCTION

In March 1982, the California Legislature called on the California Postsecondary Education Commission to study "the impact of student charges on access to public postsecondary education" and to recommend State policy to the Governor and Legislature by May 1 on at least four topics:

1. The appropriate relationship between individual and public levels of financial support for postsecondary education.

2. Which costs of institutional operations are appropriately borne by students, and what proportion of the expenditures for these operations should be financed by student charges.

3. The impact of student charges upon each public postsecondary segment's ability to realize its role and mission in the California Master Plan for Higher Education.

4. The appropriate distribution of student financial aid among all needy California postsecondary students.

The text of this charge, Assembly Concurrent Resolution 81, appears on the back cover of this report.

The Legislature also called on the Commission to conduct this study with the advice and participation of an advisory committee broadly representative of students, faculty, and administrators from public postsecondary education and of the Legislative Analyst, Department of Finance, and the Student Aid Commission. The members of this committee are listed in Appendix A, and the Commission acknowledges their contributions to the study and this report. Without exception, their commitment to helping the Commission and the Legislature resolve the growing problems of student charges, student financial aid, and access to postsecondary education was evident in their timely responses to requests for information, their insights at all stages of the study, their active attendance at committee meetings, and their candid, thoughtful, and constructive discussion of materials prepared by Commission staff. All of their efforts contributed significantly to the Commission's recommendations and to the completion of this report by May 1. The Advisory Committee was not asked to approve or endorse these recommendations or the report, and responsibility for them is that of the Commission alone.

To respond to the Legislature's request for policy recommendations, the Commission has made two sets of assumptions about the policy and fiscal contexts of student charges, student financial aid, and access. In terms of policy, we assume (1) that the goals and principles of the 1960 Master Plan will continue to be the framework within which the State provides postsecondary education in California; and (2) that current admission and programmatic functions of the three public segments will continue. Under current practices, the Legislature reviews Trustee actions on student charges in the California State University in the context of the annual budget process. The Regents control charges in the University of California. In the California Community Colleges, districts have discretion to charge fees for specific purposes and within limits authorized by the Legislature.

In terms of fiscal context, we assume (1) that the most realistic premise is more pessimistic than optimistic--that it is unlikely that the State's financial situation will soon return to levels that will allow the kind of growth for postsecondary education that characterized the 1960s and early 1970s, and (2) that the 1981-82 levels and distribution of federal financial aid will not be drastically altered in the near future. If federal administration proposals for drastic changes in aid are endorsed by Congress, we will work with the segments, students, and the Student Aid Commission to advise the Governor and the Legislature on how those cuts may be accommodated within the State's own fiscal limits and policy objectives.

The Commission urges legislative and segmental adoption of the policies recommended in this report during this legislative session. We recognize that not all recommendations can be fully implemented in 1982-83. Some explicitly require further study, and others may require phased modification of existing practices and procedures. Most critically, complete implementation may be prevented by the great magnitude of projected State revenue shortfalls. We would urge the State and segments to act in a manner that will not further exacerbate the adverse effects of recent ad hoc budgetary decisions. Immediate adoption of policies--even if implementation must be delayed--can go far in avoiding unintended negative consequences of the adverse trends of 1981-82 and 1982-83.

The Commission's response to the Legislature's request consists of this report and seven discussion papers listed in Appendix B that were prepared by Commission staff. Part One of the report summarizes the State's goals for postsecondary education, reviews past policies for achieving these goals, and outlines the options for achieving these goals in a time of financial constraint. Part Two presents the principles that have led the Commission to its recommendations and offers six recommendations for maintaining access,

high quality, and equitable student charges through explicitly defined State policies for shared individual and public support of postsecondary education. Part Three offers four recommendations in response to the Legislature's specific concerns about the distribution of student financial aid to students with demonstrated financial need, the use of revenues from student charges, and the impact of student charges on the Master Plan roles and missions of the segments. Part Four is a brief conclusion to point out the strengths and the limitations of the recommendations.

PART ONE

PROUD HISTORY; CLOUDED PROSPECTS

California entered the 1980s with a range of postsecondary education opportunities matched by few other states or even nations. The scope and effectiveness of this system are the heritage of the State's long commitment to widely accepted, although sometimes implicit, goals of access and excellence, stemming originally from the State Constitution's charge of 1849 that "the Legislature shall encourage by all suitable means the promotion of intellectual, scientific, moral, and agricultural improvement." Ever since, access and excellence have been the twin goals of State policy. These two goals, plus a third goal of responsibility for achieving them, were phrased by the Commission in this way (1981, p. 4):

> Access: Sufficient institutions, faculty, and programs to allow every qualified California resident to participate in the type of undergraduate education beyond high school for which he or she is qualified, without restrictions because of sex, ethnicity, socioeconomic level, or cultural background.
>
> Excellence: Institutions and programs that provide instruction, research, and public service for California and its residents that are commensurate with the needs of the people of the State and are at least equal to or better than those provided by any other state.
>
> Responsibility: Fiscal and programmatic management that encourages individual, institutional, segmental, and State accountability and initiative in order to facilitate access and promote excellence.

These goals and the tripartite and coordinated system of higher education that California has evolved to support them have served the State well. Despite some shortcomings, the system is a model for meeting the needs of a large and diverse population with a broad range of effective instruction and programs. The specific ways by which the State has fostered access and excellence are varied and wide-ranging. Four strategies for access were made explicit in the 1960 Master Plan for Higher Education: (1) a large number of campuses geographically accessible to commuting students; (2) open admission to the Community Colleges and clear opportunity to transfer to four-year institutions; (3) no tuition and low or no fees; and (4) financial aid to the most academically qualified students in need of assistance.

Since the 1960s, the State's commitment to access has expanded to include (1) outreach to pre-college students, particularly among low-income and minority groups underrepresented in college; (2) counseling and other support services for these students once they enroll; (3) small subsistence grants for economically disadvantaged students; (4) skills programs to improve students' preparation for college work; and (5) support services to students with disabilities. The result is a wide array of programs for achieving educational opportunity. Each element, of which low fees is only one, makes a unique contribution to the whole, but none stands alone in providing access nor exists as an end in itself.

Strategies for assuring quality have long been equally important legislative concerns. High quality in education may be difficult to define with precision, but it is seldom found among crowded classrooms, overworked faculty, inadequate library holdings, and outdated facilities--the inevitable result of cumulative reductions in support for instruction. The Legislature can do little directly to assure effective classroom instruction and rigorous and imaginative research, but it can help assure conditions under which faculty, administrators, and students can achieve quality by such means as (1) fully funding the costs of instructional programs; (2) maintaining reasonable student-faculty ratios; (3) providing stable and predictable constant-dollar funding for enrollments for each of the segments; and (4) maintaining faculty salaries at competitive levels.

TRADEOFFS UNDER FISCAL STRINGENCY

California has been generally successful in maintaining its balanced commitment to access and quality, but it is on the verge of abandoning that commitment as State revenues decline. The central financial problem for the State, the segments, and the Commission is how to maintain access and quality when major savings are required and as competing, legitimate demands on State revenues are asserted. Past tradeoffs have maintained high levels of access and quality. Cumulative budget reductions have been almost completely absorbed by reducing administrative support, delaying maintenance, and taking other actions that would both leave instructional programs intact and allow admission of all qualified students. Some further economies in administration may be possible. But the Commission is convinced that such savings will not be of sufficient magnitude to avoid encroachment on access or quality or both, if, as seems clear, State revenues will not be available to continue historic levels of college and university expenditures.

All available options require some departure from practices of the past two decades:

- Closing some campuses and reducing State support for off-campus centers, programs, and courses--thereby limiting geographic access.

- Restricting the number of students admitted to the University of California and the California State University by limiting State expenditures for their instructional programs--thereby denying access to some qualified students.

- Continuing to charge Community College students none of the costs related to their education while not increasing State subsidy--thereby excluding admitted students from oversubscribed programs and courses and protecting the appearance of access at the expense of educational opportunity.

- Raising student charges without adjusting financial aid--thereby hindering access of the students with limited financial resources.

- Continuing to admit all qualified students without increasing funds for instructional programs--thereby jeopardizing institutional quality and effectiveness.

- Admitting students into overcrowded programs and courses, making it difficult for them to progress on a normal schedule--thereby increasing overall costs for them and the State, potentially restricting access, and, over time, threatening quality.

- Increasing student charges and increasing financial aid for students with demonstrated need--thereby raising administrative and psychological barriers to access among the most impoverished.

Clearly, tradeoffs between access and quality--achieving one at the expense of the other--would be self-defeating. As the Commission stated in its most recent five-year plan, "the public interest is clear: access is valuable to students and society only if it is access to high-quality education. Access to anything less diminishes both the institution and the student" (1981, p. 5). The Commission shares the hope that State revenues will improve. Yet if, as now seems apparent, limited State resources cannot serve the public interest fully, a new pattern of State policy and support must be found that recognizes the colateral priorities of access and excellence.

THE TREND OF STATE PRACTICES FOR STUDENT CHARGES

For the purposes of this report, student charges are defined as all of the mandatory fees assessed to all students as a condition of enrollment, including mandatory student activity or student body fees. In addition, at the University of California, these charges include, but are not limited to, the Registration Fee and Educational Fee, currently $510 and $300, respectively. At the State University, they include such fees as the Student Services Fee, currently $205. Fees which are charged only to users of particular services are not included in this definition of student charges. In the Community Colleges, no fees are presently imposed on students which meet this definition of student charges. However, Community College districts are authorized to levy a variety of special user fees such as those for parking or health services. Any additional fees, such as the midyear surcharges levied by the University and State University in 1981-82, or any permanent fee increases, if they were levied on all students as a condition of enrollment, would be included in this definition of student charges and would be subject to the provisions of the recommendations in this report.

The trend of student charges during the past two decades, and particularly during the past two years, clearly indicates why the existing pattern can no longer serve either State or student interests.

The Master Plan and the 1960s and '70s

The widely accepted principle that California residents should not pay tuition--that is, charges to support instruction--was established in the Organic Statutes that created the University of California in 1867-68. In 1960, the Master Plan Survey Team reaffirmed this principle but stated that "students should assume greater responsibility for financing their education by paying fees sufficient to cover operating costs not directly related to instruction" (1960, p. 173). The team identified two such kinds of fees:

- Costs for the operation of "ancillary" services such as housing, food, and parking, which should be entirely self-supported by their users; and

- Costs for services "associated with the educational program" such as health service, intercollegiate athletics, and student activities, which should be underwritten by all students.

During the 1960s, "ancillary" services were clearly self-supporting among all three public segments of higher education, and the two four-year segments levied mandatory charges for "associated" ser-

vices, using small portions to support certain costs directly related to instruction. The Community Colleges continued their prior practice of generally imposing no charges for any but strictly ancillary services.

In 1970-71, Governor Reagan proposed tuition for both four-year segments, a proposal that did not meet with legislative approval. The result was a split between State University practice and that in the University of California. In the State University, proposals for tuition or similar charges were rejected by the Legislature. In the University, the Regents did not support the Governor's proposal for tuition--student charge support of instruction--but they did impose an "Educational Fee" of $150 in 1970-71 to support capital outlay. The Educational Fee was doubled to $300 in 1971-72 and used to support some instructional costs as well. In 1976, the Regents voted to use Educational Fee revenues thereafter solely for student financial aid and related services.

During the 1970s, both four-year segments adjusted charges for services associated with the educational program to reflect inflationary and other increases in the cost of these services. The Community Colleges, however, continued to be limited to permissive charges authorized by statute--most of them in the nature of "user fees" for specific ancillary services--and imposed at the discretion of local Community College district boards. These local boards also set charges for community services and other noncredit courses not receiving State support.

Proposition 13 and the 1980s

In the aftermath of Proposition 13, existing practices with regard to student charges were subject to increasing strain. In 1978-79, the revenues from student charges were first used to prevent program cuts. Although the State University had to absorb its $14 million reduction by pruning programs, the University used surplus Educational Fee revenues to offset approximately one-third of its $15 million reduction. Most Community College districts curtailed enrollments and transferred many previously State-funded courses to student support.

By 1981, the State had exhausted its surplus and was forced to limit General Fund expenditures. In the 1981-82 Budget Act, these limits were reflected in the budgets of the three public segments, which included reductions that were offset by increased charges in the University and State University.

Subsequently, because of falling State revenues, the University and State University budgets were further reduced by gubernatorial action in October 1981. The University modified its policy on use of Educational Fee revenues to allow their use for support of

central student services that had lost State General Fund support. The State University also offset reductions by increased charges.

These actions were fundamentally important in two ways:

- For the first time, the State imposed reductions with the expectation that student charges in the University and State University would be increased to replace State support.

- And it imposed a large cut in midyear with the same expectation that increased student charges would again replace State General Funds--if only on a one-time basis.

The 1982-83 Governor's Budget again increases student charges as well as makes program cuts to offset budget reductions in the two four-year segments. Although a common alternative during fiscal retrenchment, the practice of increasing student charges to offset budget reductions distorts the ways in which students and the segments expect charges to be adjusted. At least in some instances, increasing charges can be a disincentive for institutions to seek internal economies.

As prior practices have given way to sometimes fragmented, often ad hoc, and always short-term budgetary considerations, systemic defects have risen to the surface:

- For many students and their families, instability and uncertainty of charges make the thoughtful choice of institution and a plan to finance attendance difficult.

- For segmental and institutional administrators, instability and uncertainty of State support inhibit effective use of available revenues and make it virtually impossible to plan for projected enrollments.

- For elected officials and for executive and legislative fiscal staffs, instability and uncertainty of charges practices (1) make it difficult to consider differences in charge levels among the segments and how these differences affect the flow of students among segments; (2) obscure the interdependence of student financial aid and student charges and make it difficult to coordinate efforts to offset increases in charges by increases in aid; (3) isolate decisions about the level of student charges from consideration of the consequences of these charges on participation and access; and (4) imply that the appropriate mechanism for adjustment of student charges is to be found in annual budgetary negotiations.

In a period of continued State fiscal stringency, long-standing practices for determining student charges and for financing public postsecondary education are no longer viable. New practices that preserve access and quality need to be shaped by explicit State policies rather than solely on the exigencies of the State's budgetary process.

PART TWO

SHARING RESPONSIBILITY FOR THE FUTURE

Past accomplishments alone cannot assure preservation of California's basically sound postsecondary education system. Deliberate recognition and fostering of the State's goals of access and excellence is required. These goals have been the foundation of State policy in the past; they must be so in the future. Day-to-day efforts at reaching these goals must be shaped by more specific principles or guidelines. The Commission finds six such guidelines useful in responding to present legislative concerns:

1. The State's and the students' shares in the cost of providing postsecondary education should be explicitly identified.

2. The State should bear the primary responsibility for the cost of providing postsecondary education, and student charges should remain as low as possible.

3. The State should assure that financial assistance is available for eligible students with demonstrated financial need. When student charges in public postsecondary education are raised, sufficient student financial aid must be provided to permit attendance of students who cannot afford the increase.

4. Student charge and financial aid policies should permit students to choose public educational institutions most appropriate to their abilities and goals. Price should not become the decisive factor in students' choices among public colleges and universities. The State should continue to support student financial aid policies which provide access to and reasonable choice among many types of postsecondary institutions, including public and independent, for qualified students with demonstrated need.

5. State policy should provide an equitable and consistent procedure for establishing and adjusting student charges. Such policy should take into account the relationship among levels of charges in the three public segments and the influence of those levels on student enrollment patterns. It should also assure that increases are gradual and moderate, and predictable within reasonable ranges, in order to avoid disrupting ongoing institutional programs and student expectations.

6. The State should adopt policies providing for greater consistency in the public subsidy for Community College course offerings and restrict priority for State subsidy to those courses that offer clear public benefits in addition to individual benefits. No general charge should be implemented for the Community Colleges until the effects of these policies are known.

From these six guidelines, the Commission recommends State policies that will continue the State's commitment to access and excellence despite fiscal stringency by (1) recognizing that the most equitable student charges policies are not necessarily no charges or low charges when student financial aid is available (Recommendations 1 and 2) and (2) explicitly relating a student's share of the cost of education to the State's larger share (Recommendations 3, 4, and 5).

ACCESS, HIGH QUALITY, AND EQUITABLE STUDENT CHARGES REQUIRE NEW STATE FUNDING POLICIES THAT RECOGNIZE STATE FISCAL STRINGENCY

State revenue shortfalls are likely to occur in the future, and this possibility must be recognized in determining student charges and in budgeting financial aid. When State resources were consistently plentiful, the segments could foster access and excellence and realize their Master Plan roles because (1) student charges were kept relatively low; (2) State and federal student financial aid was available beyond any contemplated in the Master Plan; and (3) differential levels of charges among the public segments took their distinct missions into account.

The success of these prior practices and of generous State funding cannot be ignored. Even though new practices are required, it is this success that leads the Commission to its first recommendation:

> RECOMMENDATION 1. To the extent that resources are available, and within the policies and procedures recommended in this report, the State and the segments should attempt to achieve the levels of student charges in constant dollars and the relationships of charges among the segments as these levels and differences existed in 1980-81.

These past practices contributed to the State's progress in achieving access and would warrant continuation if the State's fiscal problems did not pose dilemmas that make continuation an unrealistic option. Dilemmas about levels of charges, for instance, can no longer be resolved solely on the basis of each segment's perception of its particular commitment to educational opportunity. Instead, they often involve tradeoffs, for example, between educating some students at little or no cost to themselves while shutting other students out completely. In these circumstances, modest increases in charges accompanied by student financial assistance are preferable because they do the least damage to access and quality.

> RECOMMENDATION 2. If the choice facing the State is one of curtailing enrollments, inhibiting the ability of the State to provide the conditions under which quality can be fostered, or raising student charges, then charges should be raised and the State should provide sufficient financial aid to offset the increases in charges for students with demonstrated financial need.

If student charges--all of the mandatory fees assessed as a condition of enrollment--must be increased, the sudden increases imposed in 1981-82 and proposed for 1982-83 should be avoided. During most of the past decade, the State gradually increased its subsidy while the student share stayed relatively constant. In the past year, this trend was dramatically reversed, with sharply increased charges accompanied by a real reduction in State support. Sudden changes may ultimately do greater damage to access than higher levels of charges. Moreover, this instability tends to penalize both those who have planned most carefully for meeting college costs and those whose personal financial resources are most limited.

If the policies recommended in this report are adopted, changes in the level of student charges would be moderate and predictable. But if new or other policies are adopted, they should be phased in over a period of years if they would result in (1) establishing new charges, (2) substantially increasing the levels of existing charges, (3) widening of the differences in charges among the segments, or (4) imposing charges without provision of offsetting student financial aid.

Few, if any, appropriations for public services can be exempt from cutbacks in times of financial crisis. But it would compound student difficulties if their financial aid were reduced to meet such a crisis at the same time that their charges were being increased for the same purpose. Those students least able to meet increased charges would be asked to carry a double burden, and we urge the Governor and Legislature not to reduce student financial aid when charges are increased.

The Commission recognizes policies for student charges and financial aid cannot control erratic fluctuations in State revenues or the demands on them. Nonetheless, the Commission believes that, even if special circumstances cause unavoidable and temporary departures from policy, these recommendations can be used as a base against which to measure the impact of such departures, and as the framework for a return to a stable student charges structure.

The above recommendations present the overall policy context for the Commission's response to ACR 81. The remainder of this report provides recommendations for State policies and suggestions for implementing those policies in the four areas of specific concern to the Legislature.

APPROPRIATE RELATIONSHIPS BETWEEN INDIVIDUAL AND PUBLIC SUPPORT LEVELS REQUIRE EXPLICIT STATE POLICY FOR SETTING AND ADJUSTING STUDENT CHARGES

Legislative Question: What should be the appropriate relationship between individual and public levels of support for postsecondary education?

Commission Response: Historically, the relationship between individual and public support within each public segment was generally reasonable until 1980-81, and has supported State goals of access and excellence. To assure that the relationship continues to be appropriate, State policy should explicitly relate the levels of student charges to levels of State support for postsecondary education.

> RECOMMENDATION 3. The State should establish explicit policies for setting and adjusting student charges. Such policies should assume a continuing combination of State and student financing of public postsecondary education and should establish the basis on which adjustments in student charges will be made.

This recommendation applies equally to the University, the State University, and the Community Colleges as integral parts of California's single postsecondary education system. But the historic and functional differences between the two four-year segments and the Community Colleges cannot be ignored in policy implementation. Separate and additional recommendations recognize the differences.

Policies for the University and the State University

In the University and State University, an explicit State policy would be an alternative to historical segmental practices for setting the level of student charges, and would provide a consistent policy basis for setting and adjusting charges.

> RECOMMENDATION 4. Student charges in the University and State University should be set and adjusted according to a regular process. The level of charges in each segment should be a percent of the average of the sum of State General Fund appropriations and property tax revenues for the previous three years for the support of full-time-equivalent students in public postsecondary education.

Commission staff should work with segmental staffs on an ongoing basis to make refinements and modifications in the calculation of this base, as necessary.

4.1 Total student charges for full-time undergraduates in the University of California should be 40-50 percent of the base described in Recommendation 4.

4.2 Total student charges for full-time undergraduates in the State University should be 10-20 percent of the base described in Recommendation 4.

4.3 Graduate and postbaccalaureate professional students should pay somewhat higher charges than do undergraduate students. Charges for graduate and postbaccalaureate professional students should be fixed at between 120 and 130 percent of undergraduate charges in each segment. Student financial assistance should be provided for students whose graduate or professional education would be jeopardized by these charge levels.

4.4 To assure equitable treatment of part-time students and to recognize fixed costs associated with their enrollment, student charges for part-time students should be less than those for full-time students. The actual differential in charges should consider thresholds for financial aid eligibility, mean and median credit loads of financial aid recipients, and actual use of facilities and services by students of different credit loads.

This recommendation meets the Commission's objectives of providing a consistent policy basis for setting and adjusting charges and relating student support of postsecondary education to the State's funding commitment to postsecondary education. The base chosen to reflect that funding commitment is total State General Fund appropriations and property tax revenues used to fund postsecondary education annually, a figure which is readily available, understandable, and easy to calculate. Since it includes all the elements in postsecondary education for which State support is provided, it offers a base which cannot be manipulated easily to obtain particular student charges levels. Furthermore, by using a common base to calculate student charges, the level of charges in each segment will be directly related to the levels in the other segments. By using a three-year average of funding support as the basis for adjusting charges, advance notice of the levels of charges can be given. Because unexpected aberrations in State revenues or appropriations should not be automatically reflected in student charges, the recommended policies allow time for legislative accommodation of them. Although this proposal would establish the level of charges, this recommendation does not, nor is it intended to, speak to the issue of the use of those charges.

The Commission has recommended that students in each segment pay fees which are set as a percent of State support per student in postsecondary education. The range of percentages proposed for the University and the State University are admittedly arbitrary, but based on a belief that the existing level of fees in each of those segments is not unreasonable. As a result, the lower end of the range proposed for each segment generates a fee level which is approximately what would be in effect for 1982-83 if current proposals by the segmental governing boards and the Governor are adopted. The upper limit of the range proposed for each segment was an amount which appeared to bear a reasonable relationship to current fee levels, and which if adopted, and with sufficient financial aid provided, would not result in undue disruption to students in each segment, or to the existing gap in fee levels between the University and State University. It should be noted that in the case of the University of California, the upper end of the range would generate fee levels that could involve student support of instruction--tuition--for the first time.

These policies will assure that the level of student charges in each segment is related to the State's funding commitment. Implementation of them will provide procedures for adjusting student charges incrementally rather than suddenly and establish a basis for measuring differences in charges between segments.

The Commission examined four other major options for the basis of setting and adjusting student charges:

1. Relating charges in each segment to the cost of instruction in that segment, as suggested in the first draft of this report--but the complex cost accounting procedures it would require suggest that an appropriations base would be more useful for setting fee levels.

2. Setting student charges as a percent of the support level in one of the segments--but this would have the shortcoming of increasing charges in all segments if appropriations in the base segment were increased, even if appropriations in the other segments did not change.

3. Basing student charges in each segment on appropriations in that segment--but even if appropriations for unique elements in each segment (such as organized research in the University) were excluded from the base, this option would not assure an intersegmental relationship of student charges levels.

4. Establishing student charges levels as a portion of the average charges paid by students in the public comparison institutions of each segment--but this would base California student charges

on the fiscal and educational decisions of other states rather than on the particular revenue and expenditure needs of postsecondary education in California.

Only the selected option--appropriations plus property tax revenues --meets the critical criteria of reasonable stability over time, simplicity, economy, recognition of intersegmental differentiation of function, and responsiveness to California fiscal and educational concerns. This option suggests that fee levels in the University and State University be set within a range of percentages of this base. Once the percentage is determined, it should be maintained, with minor variations, over time. Under this plan, the base for establishing 1982-83 student charges levels as described in Recommendation 4 would be $3,000. This figure is derived by taking the average annual support over the last three years for public postsecondary education--$3,225,192,000--and dividing by the average number of students annually over that period--1,075,064.

Using the percentages in Recommendations 4.1 and 4.2, undergraduate student charges at the University and State University would range from approximately $1,200 to $1,500 and from $300 to $600, respectively. This compares to proposed 1982-83 fee levels of $1,194 in the University and $322 in the State University. The actual amount of these charges should be determined according to segmental needs and the amount of financial aid that will be made available by the State. According to preliminary estimates, between $8 million and $16 million in additional financial aid would have to be provided by the State to limit enrollment losses in the University if fee levels were set within the range recommended in this report. In the State University, at least $16 million in additional financial aid would be needed to offset potential enrollment losses if 1982-83 fee levels reached the upper end of the range suggested here. More precise estimates of student financial aid needs will be provided when the Commission's student charges model is modified in May to take into account the latest changes in federal financial aid programs. Appendix C includes the segmental enrollment and appropriation figures for 1979-80, 1980-81, and 1981-82 used to calculate the base for setting fee levels.

Recommendation 4.3 establishes a basis for differential charges in the University and State University that would reflect to some degree the greater personal benefits and higher costs of graduate and postbaccalaureate professional programs in those segments. As students progress to higher and more costly levels of education, it is not unreasonable to expect them to pay somewhat higher charges than do undergraduates, assuming that sufficient student financial aid is provided for those with demonstrated financial need. At the present time, the University's Educational Fee for graduate students is $60 more than undergraduates, and there is no differential in

the State University. The Commission finds the proposed differential reasonable, consistent with practices in many other states, and unlikely to have an impact on enrollments.

The Commission recognizes that a further differential in charges may be appropriate between graduate students and postbaccalaureate professional students. It proposes to address this issue in coming months, and will advise the Legislature of its findings before January 1983.

Recommendation 4.4 addresses issues of part-time enrollments. The ability to attend college on a part-time basis while working or meeting family obligations provides many students with their only chance for access to postsecondary education. In 1974, the Legislature stated its intent "that fee structures, admissions policies, and financial aid policies and programs at institutions of public postsecondary education not discriminate against part-time students and students choosing to combine or alternate education with other learning experiences such as work or travel" (Assembly Concurrent Resolution 161).

The University of California currently charges undergraduate students who are enrolled for ten or fewer units the full Registration Fee and one-half of the Educational Fee paid by full-time undergraduates. Graduate students who are approved for enrollment for one-half or less of the regular course load also pay the full Registration Fee and half of the Educational Fee. Furthermore, the University administers special part-time professional degree programs for which the system has developed separate student charges policies.

Currently, the California State University charges graduate and undergraduate students attending on a limited (enrolled for six units or less) basis approximately $30 less than students enrolled on a regular basis, or between 75 and 85 percent of regular fees. The Board of Trustees has adopted a policy for 1982-83 which would eliminate any differential in the level of the Student Services Fee between limited and regularly enrolled students, although the Legislature has not yet acted on the Trustees' proposal. At the same time, the Chancellor's Task Force on a New Student Fee and Financial Aid Program has recommended that if a new fee is imposed in response to the 1982-83 fiscal crisis, the charge be different for students taking 5.9 units or less than for those taking 6.0 units or more.

To maintain access, State policy should continue segmental practice and legislative intent that differentiates student charges between full-time and part-time students. This recognizes that part-time students have limited eligibility for financial aid and that the

option of part-time attendance at a lower level of student charges serves as a form of indirect student assistance. At the same time, it acknowledges the fixed and variable costs of admitting students, enrolling them, and providing them with services regardless of class load.

Policies for the Community Colleges

The California Community Colleges face the same critical tradeoffs among maintaining access, preserving quality, and imposing student charges that challenge the University and State University. The choices facing the Community Colleges may be more difficult than those in the University and State University for these reasons:

- Free Community College education is a long-standing tradition, with roots in the public school system and is a symbol of the "open door" to postsecondary education. As a consequence, procedures do not exist to implement a mandatory fee policy or to provide adequate financial aid to needy students.

- Community College students pursue far more diverse academic, occupational, and avocational objectives than do University and State University students.

- Substantial variation exists among districts in the use of State funds because of differences in local board decisions in meeting community educational demands and because of the complexity and uncertainty in State funding for the Community Colleges in recent years.

The Commission is concerned that State fiscal stringency may force the Governor and Legislature to impose across-the-board cuts, enrollment limits, or new student charges without time for careful consideration of the educational and administrative implications of these actions.

RECOMMENDATION 5. The State should establish explicit policies to assure a combination of State and student support of Community College programs that, to the extent possible, continue existing no-charge practices for students enrolled in courses and programs that have greatest State priority.

5.1 To assure that only those programs or courses that have greatest State priority are subsidized by the State and to assure equitable support rates for similar courses in different districts, the Legislature should direct the

Board of Governors to develop Title 5 regulations: (a) Identifying noncredit courses eligible for State support; (b) applying a uniform support rate of $1,100 per ADA for all courses in adult basic education, high school diploma programs, English as a second language, citizenship, and community education; and (c) determining which avocational, recreational, and personal development courses should be offered as community services classes on a self-supported basis.

5.2 To assure that student support of Community Colleges falls within the policies outlined in Recommendation 5, the Legislature should direct the Board of Governors to establish a contingency plan for implementing a statewide charge policy for the Community Colleges. This plan should be prepared by December 1, 1982, should incorporate procedures (1) to implement charges that are not permissive among districts, and (2) to distribute related financial aid, and should include recommendations on at least the following:

a. The structure of charges, including differentials for part-time students and establishment and adjustment of the level of charges according to the same base and process recommended for the University and State University in Recommendation 4.

b. Differential charges based on either course characteristics, or on whether students are enrolled in an educational program or taking courses on an intermittent basis.

c. The structure and funding level of student financial aid programs to offset the adverse impact of student charges and specifically to assure that at least those students who currently receive aid from need-based public assistance programs such as AFDC, SSI, SSP, or who meet the qualifications for EOPS are exempted from charges either through waivers or financial aid offsets.

d. The relationship between revenues raised by student charges and Community Colleges financing mechanisms.

5.3 The contingency plan for a statewide fee policy recommended in 5.2 above should be implemented in 1983-84 or thereafter only if the State is unable (a) to replace one-time revenues used in 1982-83 or thereafter to offset budget reductions for the Community Colleges, (b) to maintain existing levels of revenue per ADA in constant dollars, or (c) to fund reasonable enrollment growth in courses or programs that have State priority.

Free education for Community College students must be weighed against its effect on the charges paid by their counterparts in the University and State University. In the two four-year segments, student charges have increased dramatically in the past two years. University and State University students have been required to make up the difference between available State funds and amounts needed to continue existing high standards of access and excellence. If, as the Commission must reluctantly assume, the total share of State General Funds for postsecondary education will be relatively stable over the next several years, the absence of charges in the Community Colleges will continue to mean higher charges for University and State University students. In the Community Colleges themselves, continuation of existing practices of across-the-board reductions and enrollment limitations as responses to fiscal crises will have a direct and adverse impact on access and can, by diluting instructional support, threaten educational effectiveness and excellence. Policies for a statewide charge policy may depart from long-standing tradition, but are necessary in this time of State fiscal constraint. Blind adherence to the symbol of free education in the Community Colleges can make inroads on access to postsecondary education as a whole.

The wide diversity of Community College offerings stems from the expansion of the college curriculum beyond the explicit Master Plan missions of academic and occupational education into developmental, community education, recreational and avocational areas by college districts in response to local demands. Current State funding procedures provide ambiguous guidance on how courses are to be funded to reflect State priorities. The Commission believes that a more precise formulation of State priorities is essential, and that higher priority for State support should be given to academic, developmental, and occupational programs than to community education courses that are largely avocational or recreational in nature.

In the University and State University, students share similar kinds of educational aspirations, and the imposition of a single, mandatory charge in each segment is reasonable. In contrast, such a general mandatory charge should not be imposed in the Community Colleges without careful examination of its impact. The Commission does not believe that the charges paid by students in any of the segments should, as a general rule, subsidize the education of other students. Most particularly, the implications of abandoning the no-fee policy in the Community Colleges simply because recreational and avocational courses continue to receive the same State funding priority as academic, developmental, and occupational courses must be seriously considered. We are also concerned about the possible accumulation of categorical fees in any segment. The effect of such fees is to provide special protection for specified activities, which makes them exempt from the rigorous scrutiny and

pressures for greater efficiency that other State-funded elements of postsecondary education are subject to in times of fiscal stringency.

The Community Colleges do not require formal enrollment procedures for all students comparable to those in the four-year segments under which student intentions, basic skills, or prior educational experience, for example, might be determined. The Commission believes that the possibility of instituting such enrollment procedures should be examined and determined by the Board of Governors. Alternative procedures should be assessed for simplicity, for educational purposes such as remediation, counseling, and for their relationship to the role and mission of the Community Colleges. If feasible as educational measures, then such procedures should be examined for their implications, if any, for student charges.

Information from the Community College Course Classification System reveals inequities in the way similar courses are offered and funded in different colleges. These variations arise from the nature of local decision making in the Community Colleges, and a lack of explicit State priorities for funding or for student support. In times of relative economic prosperity, such variation and lack of priorities might be tolerated. Given the current economic conditions and State revenue outlook, however, there is a need to establish priorities for the distribution of limited State resources and statewide policies for student support which have as a basis the State's educational objectives for the Community Colleges.

The criteria for noncredit course funding are broadly defined categories and subject to considerable variation in interpretation. Variations in the treatment of certain developmental courses create additional funding inequities. Most Community College districts offer adult basic education, high school diploma programs, ESL, and citizenship, and community education courses as noncredit funded at the $1,100 per ADA rate mandated in AB 1626. In many districts, however, similar courses are offered for credit even though the credit often is not applicable toward a certificate or associate degree program. Districts which offer these courses in the credit mode receive the full credit support rate of $1,930 for the ADA in such courses instead of the $1,100 per ADA noncredit rate.

Finally, in many districts, personal development, recreational, and avocational courses such as jogging, surfing, jazzercise, needlepoint, and ballroom dancing, are offered for credit at the average credit rate of $1,930 per ADA with no user fees. In other districts, these same subjects are offered as noncredit courses at the $1,100 per ADA noncredit rate with no fees. In still other districts, such subjects are offered as community service classes and charge student fees. Given limited resources, such funding and

student charges inequities cannot be permitted to continue. Furthermore, physical education courses currently comprise nearly 9 percent of the statewide Community College total credit workload and fine and applied arts courses comprise an additional 10 percent. In effect, approximately one out of every five credit ADA funded by the State in 1981-82 stemmed from enrollment in either physical education or fine and applied arts courses. While these disciplines are part of any well-balanced liberal arts curriculum, the majority of students enrolled in such courses are enrolled for only one or two courses per term and are not taking the courses as part of any certificate or degree program.

The Commission believes that the heavy concentration of student enrollment and resulting State apportionment payments in recreational and avocational courses which yield primarily personal benefits represents a serious imbalance in the use of limited State resources for undergraduate instruction. Moreover, the Commission believes that a significant portion of the current course activity in these areas could be offered more appropriately as community services classes on a fee-support basis.

The fiscal situation faced by the State in 1982-83 may require that apportionments to the Community Colleges be adjusted to generate savings to the State General Fund. The Commission has identified several one-time measures which could be used in 1982-83 to generate such savings. Although this approach may seem contrary to the criticisms of short-term ad hoc approaches to student charges and funding needs that have been made elsewhere in this report, the Commission feels that such an approach in 1982-83 is justified in terms of the time it will allow the State and the Community Colleges to develop student charges procedures and funding priorities for subsequent years. Furthermore, such an approach provides sufficient lead time for the implementation of new policies and different priorities to reduce disruption to students and districts.

RECOMMENDATION 6. If the Legislature requires adjustment to Community College apportionments to generate savings to the State General Fund in 1982-83 and to avoid implementation of a permanent statewide fee policy in 1982-83:

6.1 State apportionments should be reduced by approximately $30 million to reflect expected savings from implementation of Recommendation 5.1.

6.2 State apportionments should be reduced by approximately $50 million as a one-time offset to be taken from district reserves under regulations to be developed by the Board of Governors.

6.3 The Legislature should not impose a charge on Community College students in 1982-83 unless required budgetary savings are greater than those achieved under this recommendation. An interim charge should be considered only as an emergency alternative to impairing access to, or the effectiveness of, courses and programs of high State priority, and provisions for them should (a) assure that the State provide offsetting financial aid or waivers for students receiving need-based public assistance to be distributed according to criteria established by the Board of Governors, (b) be uniform statewide, not permissive among districts, and (c) differentiate between full-time and part-time students.

The course classification and funding recommendations outlined above would bring the Community Colleges into greater compliance with this report's sixth guideline which calls for greater consistency of Community College course offerings before fees are implemented. As a second step toward meeting the financial needs of the Community College system and the State, the Commission recommends that the use of Community College reserve funds should be considered. Even during the past few years of partial adjustments for inflation, some districts have managed to maintain or even augment their reserves while many other districts have seen their reserves dwindle or disappear entirely despite continued budget cutting and careful business management.

Statewide, the level of year-end balances of all funds has remained relatively constant over the past six years at about $400 million. It is difficult to determine an equitable mechanism for the mandated use of district reserves. In calling for the one-time use of district reserves for 1982-83 funding, the Commission believes that the Board of Governors should be directed to establish appropriate procedures for such use rather than having such procedures enacted in statute.

PART THREE

RESPONSE TO THREE OTHER LEGISLATIVE CONCERNS

Legislative concern over access and student charges during a period of constrained State resources is broad and pervasive. Recommendations 1 through 6 have already addressed what the Commission perceives as a mandate from the Legislature to suggest comprehensive State policy for access, excellence, and equitable student charges during fiscal stringency. At the same time, Recommendations 3 through 6 respond to the specific legislative inquiry in Assembly Concurrent Resolution 81 about the appropriate relationships between individual and public levels of support.

Assembly Concurrent Resolution 81 directed the Commission to address three other specific issues as well, and recommendations responding to these are contained in this part of the report. These three specific concerns--student financial aid, use of revenues from student charges, and segmental Master Plan roles--are no less central to maintenance of access and quality than is the relationship of individual and public support. Form, not importance, separates discussion of financial aid (Recommendations 7 and 8), use of revenues (Recommendation 9), and Master Plan roles (Recommendation 10) from the earlier ones.

APPROPRIATE DISTRIBUTION OF STUDENT FINANCIAL AID REQUIRES STATE FUNDING SUFFICIENT TO OFFSET INCREASES IN STUDENT CHARGES

Legislative Question: What is the appropriate distribution of student financial aid to all needy California postsecondary education students?

Commission Response: Historically, State-supported student financial aid has been appropriately distributed to students with demonstrated financial need, and has supported State goals of access. To assure appropriate distribution in the future, State policy should explicitly relate levels and distribution of aid to (1) student charges in the public segments, (2) tuition and fees in the independent sector, (3) changes in other student costs, (4) segmental procedures for distribution, and (5) federal student financial aid policies and levels.

State-supported student financial aid is a key strategy that the State has used to assure access by preventing students' financial circumstances from limiting their educational opportunities. Student charge policies and student financial aid policies are therefore interdependent. Any fundamental shift in policies related to one should be accompanied by a corresponding change in the other.

RECOMMENDATION 7. The State should provide financial assistance to qualified students whose ability to attend postsecondary institutions is jeopardized by increases in student charges. Such assistance should be provided through programs that assure equitable treatment of students with similar resources and needs.

RECOMMENDATION 8. Students throughout California should be treated similarly by State financial assistance policies regardless of the institutions which they attend, and the State should use a common and consistent methodology to assure equitable treatment.

8.1 The State should provide sufficient funding to each segment for financial aid to offset the amount of increases in charges between 1981-82 and 1982-83 for students with the fewest financial resources who do not receive Student Aid Commission grants.

8.2 The amount of financial aid to be provided by the State to offset increases in charges for students with demonstrated financial need should be based on the Commission's student charges model, modified to accommodate alternative assumptions about eligibility for additional aid other than the current assumptions based on (federal) Pell Grant eligibility.

8.3 The State should provide sufficient funds to the Student Aid Commission to fully fund charges for University and State University students who are Student Aid Commission grant recipients and who would qualify for full fee grants.

8.4 The State should continue to assist qualified students with demonstrated financial need to attend private colleges and universities, thereby protecting educational diversity and the public interest in the nongovernmental sector of higher education. Protection will require: (a) increases in maximum Student Aid Commission grants for students who attend independent institutions so that grants remain at the same constant dollar levels in 1982-83 as in 1981-82; (b) adjustments to funding levels and number of awards in the Student Aid Commission program to reflect increased student charges in both public and private institutions; and (c) inclusion, to the extent feasible, of issues related to financial aid in the independent sector in the integrated budget review proposed in Recommendation 10 below.

In order to estimate the amount of funding which the State should provide to offset the impact of charge increases for students with the fewest financial resources, the State should use a method which considers (1) the amount of any proposed increase in charges, (2) the number of financial aid recipients already enrolled, (3) the number of additional students who might become eligible with higher charges, (4) the amount of additional federal financial aid funds which might partially offset an increase in charges, (5) the ability of the Cal Grant programs to partially offset the higher charges for their recipients, (6) self-help expectations, and (7) whether or not additional aid will offset only increased charges, or both the increased charges and pending federal financial aid cuts.

The State's estimate of additional financial need should also consider (1) the current income distribution of students within each segment, (2) the current proportion of financial aid recipients within each segment, (3) the price responsiveness of students with different income levels, and (4) the availability of federal funds and Cal Grant funds. Additional funds from these sources, if

any, should be subtracted from such estimates to ensure that there is no double counting, overawards, or major differences in the way estimates of additional aid needs are made.

It is important that the State adopt a method for determining need and providing aid which is consistent among the public segments.

Currently, each segment has its own procedures for estimating student financial aid needs. These procedures employ varying assumptions and methodologies and are useful to the segments for internal decisions. The Commission's student charges model was developed to assure this consistency and the Commission will continue to work with the segments to refine and improve it. The Commission urges its own and segmental staff to develop a method for estimating the diversion of students from one segment to another because of differential charges.

APPROPRIATE USE OF REVENUES FROM STUDENT CHARGES SHOULD BE REVIEWED AS PROPOSED BY THE LEGISLATIVE ANALYST

Legislative Question: Which costs of institutional operations are appropriately borne by students, and what proportion of the expenditures for these operations should be financed by student charges?

Commission Response: The Commission believes that historical levels and uses of student charges for institutional operations have not had an adverse impact on State goals of access. Within the time available to respond, however, the Commission has not been able to determine the appropriateness of all the many specific uses of these charges or the appropriate proportions of costs that should be financed by the students. As noted earlier, students have not borne costs of instruction, but they have borne the costs of most ancillary operations (e.g., housing, parking, food services, etc.), and at least part of some costs "associated" with instruction (e.g., counseling, placement, etc.). University students have also borne part of the costs of student financial aid in that segment. The Legislative Analyst has recommended that the Commission undertake a study of the segments' current policy toward student fees and the use of fee revenue and the Commission will complete such a study by next December.

> RECOMMENDATION 9. Pending the Commission's recommendations on the use of revenues from student charges as requested by the Legislative Analyst, including analysis of restrictions on the use of charges and their use for student financial aid in the University, no changes should be made in the current uses of these revenues.

The use of revenues derived from charges is not as important to maintaining access as the amount of these charges and the availability of financial assistance. As matters of principle, however, the Commission is gravely concerned about two major issues involving the use of these revenues:

1. Restrictions on use of revenues from student charges to specific student services gives a protected status to these activities. So shielded from the impact of State budget reductions, these protected activities are in a far different position from instructional programs which must bear the full impact of reductions (California Legislature, 1982, pp. 1385-1386). Re-

moving restrictions, however, could allow use of revenues for instructional purposes such as faculty salaries, and would thus depart from existing policies that have encouraged full State support of instruction and mean imposition of "tuition," the symbol of restricted access for many years.

2. At the University of California, student charges support student financial aid programs. Neither the State University nor the Community Colleges use student charges for this purpose. Within the University, the practice means that students who can pay full fees are paying more than the cost of services in order to pay for the education of other students. Yet these other students are eligible for aid that the State has not thus far provided and that is not available in the other two public segments.

THE IMPACT OF STUDENT CHARGES ON SEGMENTAL MASTER PLAN MISSIONS SHOULD BE CONSIDERED BY INTEGRATED REVIEW OF STUDENT CHARGES AND STUDENT FINANCIAL AID IN STATE BUDGETARY PROCEDURES

Legislative Question: What is the impact of student charges upon each public postsecondary segment's ability to realize its role and mission in the California Master Plan for Higher Education?

Commission Response: Historically, low student charges have reflected each segment's special functions and its students' educational aspirations, and have, therefore, reinforced Master Plan roles and missions as well as State goals for access.

The Commission finds that levels of student charges have not yet had an adverse impact on the roles and missions of the segments as set out in the Master Plan. The Commission is concerned, however, that the substantial increases in charges in the University and State University made in 1981-82 and proposed for 1982-83 may have an adverse impact on roles and missions, for these increases may make price, rather than segmental function, a primary motive in student selection of campuses. Adverse impacts can be expected if State policy does not explicitly relate (1) student charges, (2) Master Plan roles and missions, and (3) the implications of probable financial and enrollment stress.

> RECOMMENDATION 10. The Governor's Budget should (1) display in a single consolidated summary each year the current and proposed levels of charges for each segment, (2) explain the rationale for any proposed adjustments, and (3) show the current and anticipated funding for student financial aid from all major sources. The legislative fiscal subcommittees should review this information in the same form, examining all three public segments and the Student Aid Commission together during budget hearings. To the extent feasible, implications for the independent sector should be considered. The Legislative Analyst and the California Postsecondary Education Commission should provide comments to the Legislature on the levels of charges and financial aid proposed in the Governor's Budget.

The distribution of student enrollments among three segments with distinct functions cannot be adequately considered when charges are set in the waning hours of the State budget process just a few

weeks before the opening of classes in the fall. Time is not available for sufficient consideration of the appropriate relationship of charges among the three public segments, of the need for student financial aid, or of the effect that charges might have on student choice of segment. The structure of the State budget and the procedures for its review by the Legislature also contribute to the fragmentation of State policy for student charges and student aid. Each segmental and agency budget is presented and reviewed independently, thereby limiting opportunities to examine critical relationships among the levels of segmental charges or between charges and student aid funding.

PART FOUR

OUR CERTAIN GOALS; OUR UNCERTAIN FUTURE

California's postsecondary education system is basically sound, but, as recent events have shown, its success makes it extremely vulnerable during periods of State fiscal stringency. This report addresses what the Commission finds to be the most urgent of legislative concerns: How can high standards of access and educational effectiveness be maintained and enhanced when State resources are no longer able to provide historic levels of support? The Commission has recommended--not without reluctance--that a combination of increased student charges and increased, State-funded student financial aid will best serve the overriding public interest in maintaining access and quality and establishing a consistent State policy in this area.

The Commission's reluctance is based in part on the departure from its own history of supporting no or low charges in public colleges and universities. But that reluctance also stems from the danger that charges may be increased without offsetting student financial aid; a danger that cannot be avoided. The Commission is well aware of the tenuous balance between State revenues and State expenditures, a balance that can be easily and suddenly upset: a flood, an earthquake, or a Mediterranean fruit fly can reverse the best of governmental intentions. But the Commission believes that the danger can be contained if the Governor and Legislature adopt the recommendations of this report. If long-term policies are explicitly stated, emergency departures can be recognized and plans laid for stabilization within those policies.

Within the broad context of access, narrower but extremely serious questions arose. Time was short for resolving these questions, but more important than time, a proper context for consideration was lacking. Two major questions in particular--(1) "tuition" and appropriate restrictions on the use of student charges, and (2) the University's current use of student charges for student financial aid--should not be addressed until the State has adopted the basic policy of protecting access and quality through the use of increased student charges and increased, offsetting, State-funded student financial aid.

Prior to 1980-81, State funding levels allowed the four-year segments to charge low fees, and the differences among the segmental charges were probably not enough to have inadvertently diverted students because of price. However, recent rapid increases in

charges in the University and State University have made it apparent that "benign neglect" of this area of State financing is no longer possible. With the best of motives, independent setting and adjusting of student charges by the segments, compounded by separate State consideration of segmental and Student Aid Commission budgets, may generate serious adverse consequences for historical standards of access and educational effectiveness.

Choices must be made, however, and all available choices involve tradeoffs among equally worthy options: access, excellence, and equity. The Commission is convinced that there is an overriding public interest in continuing and improving existing standards of excellence. If charges are not raised, both access and quality will be threatened. Those students not turned away outright from institutions may be admitted only to find overcrowded classes and programs. Raising student charges may provide revenues to maintain quality programs, but some students may no longer be able to afford the price of admission.

Raising student charges and allocating sufficient funding for financial aid presents an alternative that provides the revenues necessary to continue excellence at the same time that it provides funding to protect students with demonstrated financial need from the negative effects of charge increases. Admittedly, the increased price will present a real psychological barrier for some students even though offsetting aid is provided. Nevertheless, sharing responsibility through higher charges and high financial aid is the least damaging of the sad assortment of options available.

The Commission offers its recommendations with the intention that they be adopted. It must, in this conclusion, add cautions that must be heeded regardless of adoption of its recommendations. The State and the segments must take extreme care over the coming months and years to avoid exacerbating what the Commission sees as actual or emerging threats to access and excellence. Among these threats: widening the gap in charges between the University and the State University; increasing student charges in the absence of offsetting State-funded student financial aid; unintended reallocation of existing student aid from students attending independent colleges and universities to students in public institutions. As sound as California's postsecondary education system is, it is still vulnerable to an inadvertent accumulation of small, incremental stresses.

The Commission has few illusions that its recommendations will meet universal approbation among its many and diverse constituents. Yet it finds great encouragement in the deliberations of the Advisory Committee and in the invaluable help that the Committee provided. Committee members did not always agree with our point of view; and

equally often they seriously questioned other members' opinions. But agreement was reached, the Commission believes, on the major issues faced by postsecondary education. At least of equal importance, disagreement and conflict over resolution of the issues was not allowed to interfere with progress toward timely completion of the report. The Commission believes that this same even-tempered, informed, and conscientious discussion can continue over the trying years ahead. The issues are critical; reasonable differences on their resolution will continue; and resolution must take place in a changing and unpredictable environment. But all who speak in the name of postsecondary education and its interests share a vital concern that the issues be resolved.

APPENDIX A

ACR 81 Advisory Committee

In addition to the Commission's own Ad Hoc Committee on ACR 81 (identified by asterisks on the inside front cover), the Commission established an Advisory Committee consisting of the following faculty members, students, and administrators from the three public segments of California postsecondary education as well as representatives of the Legislative Analyst, the Department of Finance, and the California Student Aid Commission:

William R. Frazer	University of California Systemwide Administration
Lyman Glenny	University of California Faculty Senate
Gerald Hayward	California Community Colleges Chancellor's Office
Michael Johnson	University of California Student Body President's Council
Arthur Marmaduke	California Student Aid Commission
Nancy McFadden	California State Student Association
Dale Shimasaki	Office of the Legislative Analyst
Robert Silverman	California Community Colleges Faculty Senate
Anita Silvers	California State University Faculty Senate
John M. Smart	California State University Systemwide Administration
LaFenus Stancell	Department of Finance
Ann Terrell	California Community Colleges Student Government Association

The following observers from independent colleges participated in the discussions of the ACR 81 Advisory Committee:

Robert Fuentes	California Association of Independent College and University Students
Morgan Odell	Association of Independent California Colleges and Universities

The Committee met three times: (1) on February 22, 1982, to discuss consultation with the Commission staff during the development of the Commission's response to ACR 81; (2) on March 16, to review the issues related to access and student charges which Commission staff had identified as central in preparing the response; and (3) on April 13, to discuss the Commission's preliminary analysis, conclusions, and recommendations.

In addition to providing comments at these meetings, members of the Advisory Committee submitted written comments to the Commission staff regarding the preliminary response, background papers, and other issues of concern. Members of the Committee also responded to a questionnaire from the Commission staff regarding issues related to student charges in order to focus the Commission's report on issues of greatest consequence.

The written comments of members of the Committee on the final report are being compiled and will be distributed to the appropriate legislative committees and to Advisory Committee members. They will be available from the Commission as Commission Report 82-21.

APPENDIX B

Discussion Papers and Resource Documents

In order to provide background to the members of the ACR 81 Advisory Committee and the Commission's Ad Hoc Committee on ACR 81, Commission staff developed the following papers on topics related to financing postsecondary education, access, and student charges issues:

1. Student Fees and Fee Policies in California.
2. What happened at the City University of New York in 1976?
3. Variables Needed to Estimate the Impact of Student Charges on Students and Institutions.
4. Alternative Policies for Setting Student Charges.
5. The 1960 Master Plan for Higher Education in California: Past and Present.
6. The State's Provision of Access: 1960 to the Present.
7. Finance Policies, Prospects, and issues.

These discussion papers are available without charge as Commission Report 82-16 from the Commission offices.

In addition to these papers, staff relied on a number of policy and analytic papers on the subjects of student charges, financing postsecondary education, and student financial aid as resources in the development of this report, including:

Breneman, David W. "Financing Higher Education: State Issues for the 1980s." Paper prepared for a Regional Conference on Critical Choices in Western Higher Education, Denver, Colorado, October 26, 1981.

California Postsecondary Education Commission. The Price of Admission: An Assessment of the Impact of Student Charges on Enrollments and Revenues in California Public Higher Education. Commission Report 80-2. Sacramento: The Commission, 1980.

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APPENDIX C

Appropriations and Enrollments in California Public Postsecondary Education, 1979-80 to 1981-82

Tables 1 and 2 provide the segmental appropriation and enrollment figures for 1979-80 to 1981-82 which were used to calculate the base for setting and adjusting fee levels in the public segments as proposed in Recommendation 4. Annual enrollment and appropriation figures were averaged over these three years, and then average appropriations were divided by average enrollments to calculate average State support per student for these years.

TABLE 1

ANNUAL STATE GENERAL FUND, PROPERTY TAX, AND STUDENT FEE REVENUES SUPPORT FOR PUBLIC POSTSECONDARY EDUCATION 1979-80 to 1981-82
(millions of dollars)

	General Fund	Property Tax	Student Charges	Total
1979-80				
University of California	$ 901,951	---	$ 84,154[a]	$ 986,105
California State University	814,453	---	42,000[b]	856,453
California Community Colleges	1,002,100	$295,000	---	1,297,100
				$3,139,658
1980-81				
University of California	$1,074,584	---	$ 97,268[a]	$1,171,852
California State University	952,052	---	44,000[b]	996,052
California Community Colleges	1,100,700	$308,000	---	1,408,700
				$3,576,604
1981-82				
University of California	$1,098,986	---	$121,419[a]	$1,220,405
California State University	963,453	---	72,000[c]	1,035,453
California Community Colleges	1,092,300	$405,000	---	1,497,300
				$3,753,158

a. Educational Fee and Registration Fee revenues.
b. Includes Student Services Fee revenues used for Student Services.
c. Includes Student Services Fee revenues used for Student Services, $16.50 fee increase imposed for Spring 1982, and $46 fee surcharge imposed because of the 2 percent budget reduction in current year budget.

TABLE 2

ANNUAL FULL-TIME-EQUIVALENT (FTE)
AND AVERAGE DAILY ATTENDANCE (ADA)
ENROLLMENT IN CALIFORNIA POSTSECONDARY EDUCATION
1979-80 to 1981-82

	University of California (FTE)	California State University (FTE)	California Community Colleges (ADA)	Total
1979-80 (actual)	122,761	232,936	670,115	1,025,812
1980-81 (actual)	126,119	239,015	727,768	1,092,902
1981-82 (projected)	123,666	236,850	745,962	1,106,478

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RESPONSES TO THE COMMISSION'S REPORT ON STUDENT CHARGES, STUDENT FINANCIAL AID, AND ACCESS TO POSTSECONDARY EDUCATION

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
1020 Twelfth Street, Sacramento, California 95814

Commission Report 82-21

May 1982

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MEMBERS OF THE ACR 81 ADVISORY COMMITTEE

*William R. Frazer	University of California Systemwide Administration
*Lyman Glenny	University of California Faculty Senate
*Gerald Hayward	California Community Colleges Chancellor's Office
*Michael Johnson	University of California Student Body President's Council
Arthur Marmaduke	California Student Aid Commission
*Nancy McFadden	California State Student Association
Dale Shimasaki	Office of the Legislative Analyst
*Robert Silverman	California Community Colleges Faculty Senate
*Anita Silvers	California State University Faculty Senate
*John M. Smart	California State University Systemwide Administration
LaFenus Stancell	Department of Finance
*Ann Terrell	California Community Colleges Student Government Association

The following observers from independent colleges participated in the discussions of the ACR 81 Advisory Committee:

Robert Fuentes	California Association of Independent College and University Students
Morgan Odell	Association of Independent California Colleges and Universities

PREFACE

As the Commission has noted in its report, "Student Charges, Student Financial Aid, and Access to Postsecondary Education," the Advisory Committee to this study contributed significantly to the report through their responses to requests for information, their active participation in committee meetings, and their candid and constructive suggestions about draft materials.

At the request of the legislative committees which will review this report, the Commission asked members of the Advisory Committee to submit written comments on the final ACR 81 report. This volume contains all of the responses to that request received by May 10, 1982. Those members of the ACR 81 Advisory Committee who submitted comments are noted with an asterisk on the following page.

The Commission and its staff should be commended for the efficient way in which the ACR 81 project has been undertaken. In a short time period very sensitive and significant issues have been dealt with. We are appreciative of the fact that throughout the process the staff has been very open to suggestions and comments from The California State University. The process has been effective, given the exigencies of the situation. We look forward to continuing to work with the Commission in the second phase of the project which will address the question of the use of student fee income and implications to the long-standing principle of tuition-free public higher education in California. We will be exploring with your staff in the coming days those steps which must be taken to resolve technical issues inherent in the implementation of the Commission's recommendations.

Sincerely,

Glenn S. Dumke
Chancellor

GSD:pg

cc: Dr. Claudia Hampton
Ms. Pamela Ann Rymer
Mr. Harry Harmon
Dr. Kenneth B. O'Brien
Dr. John M. Smart

RECEIVED MAY 5 1982

THE CALIFORNIA STATE UNIVERSITY AND COLLEGES

BAKERSFIELD CHICO DOMINGUEZ HILLS FRESNO FULLERTON HAYWARD HUMBOLDT
POMONA SACRAMENTO SAN BERNARDINO SAN DIEGO SAN FRANCISCO SAN JOSE
LONG BEACH LOS ANGELES NORTHRIDGE
SAN LUIS OBISPO SONOMA STANISLAUS

OFFICE OF THE CHANCELLOR
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CSUC/20

April 30, 1982

Mr. Patrick M. Callan
Director
California Postsecondary
Education Commission
1020 Twelfth Street
Sacramento, California 95814

Dear Pat:

The Commission has extended to interested parties an opportunity for final comments on the Commission report pursuant to ACR 81, Student Charges, Student Financial Aid, and Access to Postsecondary Education which was approved by the Commission at its April 26, 1982 meeting.

We believe the final document and its recommendations, especially as they apply to The California State University, provide a useful framework for the discussion of student charges issues by the segmental governing boards and the Legislature. While no one is in favor of additional charges to students if they can be avoided, the current fiscal situation dictates the need for very difficult decisions. The urgency of the situation is forcefully described in the report. The Commission's statement together with the very well-done background comments furnish a much needed exploration of many important policy considerations.

As the Legislature considers the Commission's recommendations, we share the concern about the imperative need for the State to provide financial aid for those students with financial need should it be necessary to increase the level of student charges. It is only through such action that both access and quality can be maintained.

In the weeks ahead, we will be discussing the implications of the Commission's recommendations within The California State University and will be following with great interest legislative consideration of the Commission's report.

If, in the short run, the University and the other segments are to move further away from the spirit of the Master Plan fee policy, then some guidelines are needed. You grasped this point very early on in the debate over fees, access, and program quality. You endorsed the need for a policy study. That study, and in particular the guidelines set forth at the beginning of Part Two of the Report, will prove very useful in structuring the ongoing discussions.

We regard the report as a discussion which must be viewed in light of the very real possibility of tuition in the segments. With the large and apparently growing shortfalls in revenue confronting the State, the need is even greater to move the debate away from the nonproductive discussion of the desirability of fees toward the essential question of how we can best assure continued access and program quality. With the ACR 81 Report you have made a real contribution here, particularly by highlighting the question of program quality.

Finally, I wish to refer more specifically to two aspects of the report which deserve particular comment.

--- We certainly support your view that the State should provide additional aid to cover need created by fee increases. The discussion of other aid-related issues must await completion of the study of the uses of fees scheduled for transmission to the Legislature in December 1982.

--- Vital issues have been dealt with in the section on Community College fees and finance. These are issues which have been debated in the Legislature in recent years and which will no doubt continue to be. Any change in State policy should encourage and certainly not retard the continued development of a strong transfer function in the Colleges.

We are now embarking on internal consultations which will serve to clarify our position both with respect to fees generally and the ACR 81 report specifically. Your appearance before the Regents' Educational Policy Committee on May 20 will provide a useful exposition of the report for The Regents, faculty and students. In addition, I have instructed my staff to work closely with the Commission staff in modifying various components of the financial aid projections needed for implementing the report. Also, we are prepared to cooperate in discussing details (i.e. the calculation of the base) which are set forth as principles in the report.

I think you have made a good start. We look forward to working with you on the December follow-up to this report.

Sincerely,

Bill

William R. Frazer
Academic Vice President

cc: Regent Wada
President Saxon
Special Assistant Paige
Professor Oliver Johnson

UNIVERSITY OF CALIFORNIA SYSTEMWIDE ADMINISTRATION

BERKELEY • DAVIS • IRVINE • LOS ANGELES • RIVERSIDE • SAN DIEGO • SAN FRANCISCO | SANTA BARBARA • SANTA CRUZ

Office of the Academic Vice President

BERKELEY, CALIFORNIA 94720

May 4, 1982

Patrick M. Callan, Director
The California Postsecondary Education Commission
1020 Twelfth Street
Sacramento, CA 95814

Dear Pat:

In response to your recent request I am writing to set forth some preliminary views in connection with the ACR 81 study. As I think I made very clear throughout the brief, productive period during which the report was developed, I appreciated the open and cooperative work of you and your staff which greatly facilitated our mutual efforts.

The report, I believe, is one of which the Commission can be proud. You have provided a policy context within which the segments, the Legislature and the Governor can continue to examine the question of fees and tuition, access and financial aid, and functional vitality and program quality. I think we all can now better address hard issues which ideally we would prefer not to confront.

As you know, our basic position at the University is that we support the policy and indeed the long tradition of no tuition in public higher education in California. The University was instrumental in assuring the reaffirmation of that policy in the 1960 Master Plan study, just as you yourself provided a guiding hand when the Legislature reaffirmed the policy in the later review of the Master Plan. We believe that fees should be set as low as possible at all segments of public higher education.

There is little doubt that the current level of fees at the University, and to a lesser extent at the California State University, is far removed from the spirit of the Master Plan. As State support for vital programs and services has eroded, many budget items have been off-loaded, inappropriately but necessarily, to student fee support (financial aid is a major example). In the long run we hope to see the State assume its historic responsibilities, permitting the segments to return these fee-supported items to General Fund support.

there are alternatives to long-range mandatory fee contingency plans.

(b) We would be strongly opposed to differential fee charges based on either course characteristics, or on whether students are enrolled in an educational program or taking courses on an intermittent basis.

(c) Financial Aid

We feel that community college student financial aid programs are inadequate and ill prepared to implement such a massive financial aid program increase.

In our opinion, this would create furthur obstacles to non-traditional students in determining eligibility.

In this recommendation, there is no equity in charging students; ie. Should some students pay more to support others who cannot afford fees -vs- state support in funds received by all citizens?

Item 5.3 Contingency Plan

Since at least one of these items is likely to prevail, we feel, that this item is a facade for implementing tuition/fees, while at the same time attempting to refute them.

Item 6.1 Reduction In State Apportionments

We could not support this recommendation, because it is our concern, that in order to recover this $30 million fees would be assessed.

Item 6.2 Community College Reserves

We would not be strongly opposed to a one-time use of reserves as a method of relieving the state's budget problems.

Item 6.3 Imposition of Charges

We agree that charges should not be imposed on community college students and that other one-time measures should be implemented in 1982-83 to generate such savings as needed.

Since we are actively supporting revenue enhancement measures, and also, as the state's financial situation is bound to improve over the next few years, students oppose any premature tuition policy proposals.

CALIFORNIA COMMUNITY COLLEGE
STUDENT GOVERNMENT ASSOCIATION

May 6,1987

Mr Patrick Callan, Director
Calirornia Postsecondary
Education Commission
1020 Twelfth Street
Sacramento, CA 95814

Dear Mr Callan,

As you know, our Association supported the concept of a study of student fees and charges in the three segments of public postsecondary education. We do, however, have some immediate concerns regarding the Commission's report to the Legislature on the study mandated bv Assembly Concurrent Resolution #81.

Above all, our organization, is dedicated to preserving the open access policy of community colleges. Our organization has taken the following positions on the Commission's report:

Item 5.1 Greatest State Priority

(a) In our opinion, the term "greatest state priority" is very vague, and the report does not elude to the question of whether the identification of non-credit courses eligible for state support will be done through course classification or arbitrarily bv CPEC or the Legislature.

(b) We feel that this recommendation does not address the fact that many of these courses are being taught in community colleges at this time as non-credit courses. We also feel that this recommendation confuses the subjects of revenue support and mode of instruction.

(c) Our question to this recommendation is; If the mai-rity of these courses are being ~~at the four year~~ offered for collegiate credit level (CSU and UC), why should community colleges be prevented from receiving the same method of funding?

Item 5.2 Mandatory Fee Contingency Plan

(a) It is our opinion that instruction of students should be reviewed based on individual cost, rather than, being based on a percentage of all student- in the three segments. We also feel that

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If there are any questions concerning the positions our organization has taken, please feel free to contact me at (916) 442-4436 or 444-0732.

Very Sincerely,

Robert A. Giroux
President CCCSGA

cc Marj Dickinson
Gerald Hayward
Assembly ways and Means
sub-committee #2

centage increase in the average cost indexing for all private California colleges and universities for the previous two or perhaps three years. Private colleges should not expect to make large increases in tuition and then assume the state will immediately increase the share for student need.

b. The volume of student aid should not be such that it will keep marginal quality institutions in existence. By excessive practices in recruiting, not necessarily in the best interest of the students, some institutions have been able to get by for some years with an ever decreasing quality and variety of programs. The State should avoid this outcome.

Again, my compliments to the Commission and its staff for a job very well done.

Lyman A. Glenny
Faculty Senate Council
University of California-Berkeley

May 3, 1982

The following are my comments on the ACR 81 Report to the General Assembly:

1. The Report reflects almost all of the thoughtful comments and discussion of the Advisory Committee. It certainly reflects the dominate views and often takes cognizance of somewhat divergent views and attitudes. I congratulate the staff and the Commission on an excellent report produced in a minimal amount of time for such an important document.

2. I regret very considerably the inability of the State of California to continue its historical practice of charging students as little as possible for their higher education. The Commission, its staff and most, if not all, of the Advisory Committee share these regrets. I hope the General Assembly will regard Recommendation #1 as a continued goal to be achieved in the near future. However difficult it is to return to an old standard after new ones have been adopted, I would hope this State would be ready to go back to no or very low student charges.

3. The basis for establishing the formula and range for student charges as a percent of state appropriations is a very commendable one. As one of the inventors and implementors of the "cost of instruction" model for establishing student charges, I am well aware of its weaknesses, ambiguities and the ability of institutions to manipulate those costs to a considerable degree in whichever direction appears to their advantage. By using appropriations, a much more valid and reliable base can be laid and kept. Some campus leaders will object to this method on the grounds that if the State should lower the appropriations over two or three years, the institutions would be restricted also in the amount that could be obtained from student sources. This is exactly as it should be. During downturns in the economy, students suffer financial losses as does the whole of society and if the State is unable to make full appropriations it seems very unlikely that the students can either. The ranges suggested in the Report are fair and equitable among segments and should not be stretched on the upward end under any conditions.

4. In relation to aid to the private institutions through student aid, I make the following two comments:

   a. The percentage increase in tuition for purposes of providing student aid based on need should not exceed the per-

The report also recognizes that future policy development concerning the community colleges is particularly difficult in light of the following reasons:

"• Free community college education is a long-standing tradition, with roots in the public school system and is a symbol of the "open door" to postsecondary education. As a consequence, procedures do not exist to implement a mandatory fee policy or to provide adequate financial aid to needy students.

• Community college students pursue far more diverse academic, occupational, and avocational objectives than do University and State University students.

• Substantial variation exists among districts in the use of state funds because of differences in local board decisions in meeting community educational demands and because of the complexity and uncertainty in state funding for the community colleges in recent years.

The Commission is concerned that State fiscal stringency may force the Governors and Legislature to impose across-the-board cuts, enrollment limits, or new student charges without time for careful consideration of the educational and administrative implications of these actions."

We support this conclusion with particular emphasis on the need to allow appropriate time for careful consideration of change.

We support the recommendation that no-charge practices be continued for students enrolled in courses and programs that have greatest state priority. In support of this recommendation, various studies indicate that low-income students, many of whom are self-supporting, would be most adversely affected by a general student charge, and that these students are provided access to postsecondary education primarily through the community colleges. It is absolutely vital that California continue its commitment to offer educational opportunities to those students least able to pay.

Priorities and Issues Raised by the Report:

There are three areas which are of critical concern to the California Community Colleges: potential cost-of-living increases; enrollment growth; and setting priorities among programs and students.

A cost-of-living increase is essential for the California Community Colleges. From 1977-78 through 1982-83 support for community college average daily attendance (ADA) will have increased slightly more than 14 percent, (an average of approximately 3.6% per year). During that same period of time, inflation (as measured by the Consumer Price Index) will have grown by slightly more than 72 percent. That translates into a decline in purchasing power over that period of approximately 30 percent. In other words, each community college dollar is worth almost one-third less than it was in 1977-78. In considering alternatives for dealing with fiscal stringency addressed in the report, this topic was, of course, discussed and it was concluded that a cost-of-living increase is vital for the continuation of quality programs and satisfactory working conditions.

CHANCELLOR'S OFFICE (916) 322-4005

CALIFORNIA COMMUNITY COLLEGES
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May 5, 1982

TO: California Postsecondary Education Commission

FROM: Gerald C. Hayward, Chancellor GCH

SUBJECT: Comments Regarding Commission Response to ACR 81

It is my purpose to highlight those issues dealt with in the Commission report that strike most closely to the heart of the comprehensive mission of the California Community Colleges. Rather than to comment upon each facet of the report in detail at this time, I will deal directly in this response with those issues that I feel are most critical. I will continue to communicate with the members of the Legislature regarding all matters addressed in this report, as well as related areas of concern.

In response to the report of the Commission regarding Assembly Concurrent Resolution 81 the following topics will be addressed:

1. The quality and conceptual context of the report.
2. The basic assumptions underlying the report.
3. Community college priorities and issues raised by the report.
4. Comments on Recommendations 5 and 6 of the report.
5. Summary.

Quality and Conceptual Context:

The Commission is to be commended for its recognition that access and excellence have been, and must continue to be, the primary goals of state policy regarding postsecondary education. The conceptual context of the report is educationally sound. Careful consideration has been given to the notion that access, high quality, and equitable student charges are concepts which must be carefully provided for, particularly in light of fiscal stringency.

Basic Assumptions Underlying the Report Regarding Community Colleges:

The report states clearly that the Board of Governors of the California Community Colleges serve as the appropriate decisionmaking body in matters that deal with policy issues affecting access and excellence. This assumption is critical to the future role of the community colleges as it places the responsibility for careful scrutiny and consideration of complex educational choices with the appropriate body which can give due consideration to fiscal concerns.

6.1 State apportionments should be reduced by approximately $30 million to reflect expected savings from implementation of Recommendation 5.1.

Response: The report acknowledges in Recommendation 6.1 the clear relationship between Recommendations 5.1 and 6.1. This response will address both recommendations and the interaction between the two.

The California Community Colleges will have difficulty continuing to provide access and excellence if additional cuts are made in 1982-83. If the fiscal situation is such that further cutbacks become necessary, then the most realistic and educationally sound means must be to allow the Board of Governors and the Chancellor's Office the broadest discretion possible in considering options. We urge the Legislature to adopt policy that will be least disruptive to the comprehensive nature of the community colleges and will allow for the consideration of local district-by-district impact of change. This is achieved only by rejecting Recommendations 5.1 and 6.1, which run contrary to such policy. If short-term decisions must be made, they are most appropriately left to the discretion of the Board of Governors and the Chancellor's Office. We recommend then that Recommendation 5.1 be included in Recommendation 5.2. The nature of 5.1 is such that considerations of this kind are as important and require at least as much careful attention as do the topics listed in 5.2. The complexities of determining those courses with the greatest state priority dictate that the ideas recommended in 5.1 be considered as part of the "contingency plan," as specified in 5.2. In addition, we do not find it appropriate that a specific amount of revenue be attached to a recommendation in response to ACR 81.

Again, the complexities of the issue and the difficulty of assessing the local impact make the administration of this recommendation irresponsible without further consideration and the amount specified unreliable.

5.2 To assure that student support of Community Colleges falls within the policies outlined in Recommendation 5, the Legislature should direct the Board of Governors to establish a contingency plan for implementing a statewide charge policy for the Community Colleges. This plan should be prepared by December 1, 1982, should incorporate procedures (1) to implement charges that are not permissive among districts, and (2) to distribute related financial aid, and should include recommendations on at least the following:

a. The structure of charges, including differentials for part-time students and establishment and adjustment of the level of charges according to the same base and process recommended for the University and State University in Recommendation 4.

b. Differential charges based on either course characteristics, or on whether students are enrolled in an educational program or taking courses on an intermittent basis.

c. The structure and funding level of student financial aid programs to offset the adverse impact of student charges and specifically to assure that at least those students who currently receive aid from need-based public assistance programs such as AFDC, SSI, SSP, or who meet the qualifications for EOPS are exempted from charges either through waivers or financial aid offsets.

Pressures for enrollment growth continue to accelerate in the community colleges. In light of increased demands for transfer education (which may increase even more as fees are raised in other segments and as student financial aid declines) and vocational education (in particular response to high technology skill needs), pressure for enrollment growth will continue. Additional pressure is caused by the continuing influx of refugee students. Pressure for growth in the community colleges has always been present during times of a depressed economy and high unemployment. Access has, in fact, been already limited for significant numbers of students. To postulate that a policy of no enrollment growth is an option for dealing with fiscal stringency is unacceptable. Enrollment growth is an educationally sound goal and is appropriate in its responsiveness to the greatest public and state benefit.

In diversified, locally governed districts perhaps most difficult of all is the concept that state priorities may need to be established among programs and the academic intentions of students. We are pleased to see the Commission has recognized in its report that diversity among community college districts and among the students attending community colleges. Surely policy decisions of this nature are appropriately placed with the Board of Governors.

In times of severe fiscal constraint, state and local agencies are faced with a series of unpleasant alternatives. The idea that, given limited state resources, state subsidies should be given to those courses and programs which have the greatest state priority is not unreasonable. However, the complexities involved in determining which courses or programs ought to have the greatest state priority requires time and careful consideration by Board of Governors and the Chancellor's Office in consultation with community college districts. Given the diversity of community college offerings among districts, careful attention must be paid to the differential impact on individual districts. In this vein, it is not educationally acceptable to single out disciplines within the curriculum (for example, P.E. and fine and applied arts) as having a lower priority for state funding. Determining student intention is also extremely complex, costly, and difficult to administer. While recognizing the complexities which attend these tasks, we agree with the Commission's recommendation that this is preferable to the establishment of a statewide mandatory fee.

Recommendations 5 and 6:

RECOMMENDATION 5. The State should establish explicit policies to assure a combination of State and student support of Community College programs that, to the extent possible, continue existing no-charge practices for students enrolled in courses and programs that have greatest State priority.

Response: Support.

5.1 To assure that only those programs or courses that have greatest State priority are subsidized by the State and to assure equitable support rates for similar courses in different districts, the Legislature should direct the Board of Governors to develop Title 5 regulations: (a) Identifying noncredit courses eligible for State support; (b) applying a uniform support rate of $1,100 per ADA for all courses in adult basic education, high school diploma programs, English as a second language, citizenship, and community education; and (c) determining which avocational, recreational, and personal development courses should be offered as community services classes on a self-supported basis.

Response: We oppose a statewide charge on community college students. We oppose this recommendation as it runs contrary to the Commission statement: "The Commission is concerned that State fiscal stringency may force the Governor and Legislature to impose across-the-board cuts, enrollment limits, or new student charges without time for careful consideration of the educational and administrative implications of these actions."

In addition, this recommendation runs contrary to the purpose of ACR 81, which calls for reasoned policy rather than emergency measures in times of fiscal stringency.

Summary:

The Commission's report provides a useful tool to help the postsecondary educational community and the Legislature begin the development of a more orderly process of establishing public policy for student charges. Within that context, I'd like to reemphasize, in summary, our primary points.

1. We agree with the Commission that no general statewide student charge should be imposed on the community colleges in 1982-83.

2. We agree that no consideration of a mandatory statewide student charge should be made until the Board of Governors has developed a comprehensive contingency plan.

3. We do not believe that the community colleges, currently facing local and statewide deficits, should suffer additional funding reductions.

4. We believe that it is inappropriate for the Commission to recommend specific (potential) dollar reductions to community college apportionments.

5. We are convinced that if reductions to community college apportionments should be required in 1982-83, authority should be given to the Chancellor and the Board of Governors to manage such reductions in cooperation with local districts.

GCH/mh

cc: Patrick Callan

d. The relationship between revenues raised by student charges and Community Colleges financing mechanisms.

Response: The recommendation appears to be sound. In the adoption of the recommendation, timing may need to be more flexible than indicated as state and local level participation are necessary if the resulting plan is to be realistically applied. Consistent with the thrust of the recommendation, the Board of Governors has begun to address some of these issues through the Long-term Finance Plan, the Course Classification System, and adoption of the Grading Policy, as well as other related actions. The Board will continue to address these and other issues.

5.3 The contingency plan for a statewide fee policy recommended in 5.2 above should be implemented in 1983-84 or thereafter only if the State is unable (a) to replace one-time revenues used in 1982-83 or thereafter to offset budget reductions for the Community Colleges, (b) to maintain existing levels of revenue per ADA in constant dollars, or (c) to fund reasonable enrollment growth in courses or programs that have State priority.

Response: The greater the amount of one-time revenues, the greater the likelihood that there will be no other alternative to the implementation of a statewide fee policy. We would argue that the use of one-time sources of revenue to fund on-going obligations is not good public policy. We, therefore, urge the Legislature to minimize to the extent possible the use of one-time money.

RECOMMENDATION 6. If the Legislature requires adjustment to Community College apportionments to generate savings to the State General Fund in 1982-83 and to avoid implementation of a permament statewide fee policy in 1982-83:

6.2 State apportionments should be reduced by approximately $50 million as a one-time offset to be taken from district reserves under regulations to be developed by the Board of Governors.

Response: This recommendation deals with a fiscal strategy rather than presenting a policy thrust and goes beyond the specific charge of ACR 81. While we recognize that there may be a negative fiscal impact on community college funding in 1982-83, we find it inappropriate for the Commission to recommend specificity of source or amounts for potential revenue savings. As stated earlier by both the Commission and in the Chancellor's Office response, the diversity among districts, students, and programs discourages simple answers. If additional savings are to be made through adjustments in the community college apportionments, the amount should be specified by the Legislature and a procedure implemented by Board of Governors and the Chancellor.

6.3 The Legislature should not impose a charge on Community College students in 1982-83 unless required budgetary savings are greater than those achieved under this recommentation. An interim charge should be considered only as an emergency alternative to impairing access to, or the effectiveness of, courses and programs of high State priority, and provisions for them should (a) assure that the State provide offsetting financial aid or waivers for students receiving need-based public assistance to be distributed according to criteria established by the Board of Governors, (b) be uniform statewide, not permissive among districts, and (c) differentiate between full-time and part-time students.

makes the recipient overqualified and overspecialized for non-academic employment, and suits him for an academic career at less than private sector wages. The justification of consistency with other states has been correctly rejected as a factor in other proposals, yet oddly remains here. I must conclude that the remaining justification, minimal impact on enrollments, is the driving one. It is hard to believe that a 38 to 87 percent increase in fees will have minimal impact. Especially since 70 percent of all postbaccalaureate students now receive financial aid, 50 percent of which is loans. Even if the impact were minimal this proposal is inequitable since it visits a sudden and disproportionate fee increase upon a population without fiscal reserves after the financial aid application deadlines have passed.

It is clear that adequate financial aid is paramount, as the Commission stresses throughout its proposals. The recent practice of unallocated reductions to the University of California's budget with the expectation that student fees will make up the difference has been extremely pernicious. Since student fees generate 15 percent of undergraduate and 30 percent of graduate financial aid, fee levels must be raised proportionately higher to compensate for those unable to pay the increase or else financial aid must be watered down. In 1980-81 and 1981-82 rationing of financial aid was necessary. This trend must stop. The recent outcry in Washington shows strong support for student financial aid in the electorate.

The brevity of this document attests to the fact that I am in general agreement with the Commission's report. It would be a tragedy if, in the press to deal with the State's fiscal crisis, the guidance this study provides were overlooked. In this I believe all the members of the Advisory and Ad Hoc Committees would concur.

graduate student association
350 Memorial Union University of California, Davis, 95616 (752-6108)

In the past two and a half months the California Postsecondary Education Commission has managed the extraordinary task of examining the impact of student charges on access to public postsecondary education in California. The Commission, in this short time, has arrived at a set of feasible yet remarkably equitable proposals in the face of the disparate interests represented in this issue. As the University of California student member of this project's Advisory Committee I thank the Commission's Ad Hoc Committee members for their openess to discussion and suggestions, and for this opportunity to provide my perspective on the Commission's recommendations.

The Commission has correctly identified uncertainty about the level of fees as a major hurdle faced by students planning their education. Making student charges a fixed percentage of the average of the state's previous three years of allocations introduces a needed stability to the process of determining fee levels. It also explicitly recognizes the fact that higher education is a partnership between the state and the student and that sudden changes in the conditions of that partnership are a disservice to both parties.

Such a sudden change is possible in 1982-83. The Legislature can, by choosing the fixed percentage to be 45 percent, institute tuition at the University of California. This 35 percent increase in fees would be a break with tradition comparable with that of initiating a student charge policy at the Community Colleges. I suggest that the decision on whether to implement tuition be deferred until 1983 along with the Commission's recommended deferral of the decision on Community College student charges. Given the gravity of both issues, it would be unfair to allow tuition next year simply because it would be easier to implement.

Another proposal that constitutes, in my opinion, an unwarranted sudden change is the suggestion that postbaccalaureate students pay 20 to 30 percent more than undergraduates. I find the justifications for this proposal flawed. The Commission suggests that this would relect the higher cost of these programs. Such an argument is valid only if students pay for instruction which they now do not. Since the Commission suggests deferring discussion of the appropriate use of student charges, surely the possible implementation of this proposal must await the outcome of such a discussion. Greater personal benefits to the student are also cited as justification. With few exceptions such benefits are intellectual rather than monetary. The specialization required for an advanced degree

In a climate of stringent financial restraints there is unlikely to be a realistic solution that pleases everyone. Because the CPEC report proposes changes in the status quo, it will provoke some discomfort and suspicion. The very fact that it proposes a relatively uniform approach for all three segments may appear to be a disturbing departure from current practice. Nevertheless, the report resulted from a process of consultation involving students, faculty, and administrators from all three segments. We had the opportunity to consider the full impact of the recommendations on the educational process in each segment and to consider how the recommendations will affect the transfer process from one segment to another. We think that the effect of the proposals have been weighed responsibly in the report. We hope you will accept the report as a commendable first step towards addressing the problems of financing higher education.

Sincerely,

Robert D. Kully

Robert D. Kully, Chair
Academic Senate CSU

RDK/jsm

cc: Pat Callan
Members, Executive Committee
Academic Senate CSU
Members, Ways and Means Subcommittee
#2 on Education

ACADEMIC SENATE
OF
THE CALIFORNIA STATE UNIVERSITY

RECEIVED MAY 7 1982

400 Golden Shore, Suite 134, Long Beach, California 90802 • (213)590-5578 or 5550, ATSS: 635-5578 or 5550

Office of the Chair

May 5, 1982

The Honorable Gary Hart
Member of the Assembly and
Chairman, Ways and Means Subcommittee
#2 on Education
State Capitol
Sacramento, California 95814

Dear Assemblyman Hart:

Scheduled conflicts will prevent any representative of the Academic Senate of The California State University from being present on May 11th when the Ways and Means Subcommittee #2 on Education considers the California Postsecondary Education Commission Report on Student Charges, Student Financial Aid and Access to Postsecondary Education. I am writing to you on behalf of the Academic Senate CSU to indicate that we believe the proposals outlined in the CPEC report deserve your close consideration and support. At the initiation of the advisory committee process which helped develop this report in response to the charge contained in ACR 81, we were concerned that the complexity of the issue and the brief time before the report was due might result in superficial recommendations. Now that the advisory process is complete, we are gratified to observe that the report offers an informed and realistic approach for determining how much student charges and how much the General Fund should contribute to postsecondary education.

As you are aware, there has been a tendency in each year's budget deliberations to accept ad hoc resolutions about how much students should contribute to the financial support of their education. We think these budget decisions ought to be based on systematic application of state policy, which not only reflect existing fiscal constraints, but which also are sensitive to several other essential factors. The CPEC report describes these factors and points out what considerations must be made if we are to deal with our financial problems without destroying access to effective postsecondary education in California.

California
State
Student Association
...representing 300,000 students statewide

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San Luis Obispo
Sonoma
Stanislaus

May 7, 1982

Mr. Patrick M. Callan
Director
California Postsecondary Education Commission
1020 Twelfth Street
Sacramento, CA. 95814

Dear Pat,

In proposing Assembly Concurrent Resolution 81, the student leadership had little idea of the outcome of a study that includes such pervasive questions as those addressed in the Commission's Report on Student Charges, Student Financial Aid and Access to Postsecondary Education.

However, the students were compelled to pose those questions after recognizing that the problems with fee increases went beyond the dollar amount. The ad hoc and erratic timing of fee hikes, the process of setting fee levels based on purely budgetary considerations and the increasingly evident erosion of educational quality all caused dissatisfaction among the students with fee practices following Proposition 13.

Upon reviewing the Commission's response to ACR 81, it is clear that these concerns were greatly considered in the formulation of your policy recommendations. In general, the Commission has provided a sound set of ideas for solving the problems inherent in preserving an accessible educational system of excellence during a time of limited State resources.

Above all, the CSU students believe that California should reaffirm its committment to low cost, quality postsecondary education, withstanding the state's fiscal pressures. We agree that the goals of access and excellence are equally important and one should not be sacrificed for the sake of the other. A mediocre university with open doors is just as bad as

an excellent university with economic barriers.

When choices are unavoidable, modest fee increases accompanied by an equitable and adequate financial aid program are reluctantly preferable. It must be emphasized that CSU students are gravely concerned that the inextricable link between fee increases and financial aid not be denied.

We are not yet convinced that the Commission's recommended process for determining fee levels for CSU represents the best option for assessing student charges and hope that this recommendation generates thorough discussion. Two features of the recommended calculation method are attractive: (1) It sets a ceiling of fees, although it should be noted that the upper limit results in a substantial fee increase; and (2) It has the potential of providing stability over time. We do believe that the inclusion of fee differentials for undergraduate/graduate students and part-time/full-time students is equitable.

Recognizing the far reaching implications of the Commission's recommendations, we will continue to be involved in the discussions regarding student fees and access, both at the statewide level and the system level, where implementation decisions can, at times, be more significant than basic policy decisions. We also look forward to participating in the upcoming study of the use of fee revenue.

Recognizing the difficult decisions that will be made in the upcoming weeks, we can only hope that the Legislature decides on a course that will be least harmful to postsecondary education and the principles of access and quality. The Commission's response to ACR 81, at the very least, provides the framework for deciding that course.

Sincerely,

Nancy E. McFadden
Legislative Director

cc: Mr. Bill Klein

A RESPONSE TO STUDENT CHARGES, STUDENT FINANCIAL AID AND ACCESS TO POSTSECONDARY EDUCATION

Presented to the Governor and the Legislature

by

Robert M. Silverman, Academic Senate
for California Community Colleges and member of the ACR-81 Advisory Committee

May 5, 1982

state support which do not fall into the highest priority categories of the colleges. Through the application of the course classification system by the Board of Governors and the Chancellor's Office in association with the Academic Senate, the system is doing just that. One area of concern that is mentioned in the report is physical education. It is noted that physical education represents about 9 percent of the total work load in community colleges. Probably 75 percent of the physical education offering is essential to transfer programs and is parallel to courses offered in the UC and CSUC systems, and therefore deserves state support. The remaining 25 percent should be moved into the community services classification and be paid for by the student.

The other concept that ought to be examined before increasing student fees involves the identification of students who may be avocational or enrolled for life enrichment motives. Their fees should be increased in order that open access to high priority students enrolled in the high priority programs can be preserved. The plan proposed by the Commission to encourage the Board of Governors to explore these two areas through a future study is an excellent idea and is an absolutely necessary prerequisite to imposing a student charge on all students. Such a study may indeed recommend that fees be charged for certain classes and certain student categories so that students with defined motives who are taking courses in transfer, job skills training and developmental programs of the colleges can receive state support.

The second assumption is that the availability of state resources and the public commitment to community colleges will remain at today's levels. Hopefully, levels of state funding will instead increase in the future. Through such possibilities as an end to the present recession, new revenue sources or increased taxes general student fee changes may not need to be as drastic or as permanent as the recommendations suggest.

A third assumption that was used in the preparation of the Commission's report was that federal student aid would remain stable. However, all indications are that federal student aid will actually decrease and that increased portions of any fees collected will as a result have to be used for state student aid.

The Commission recommended that the Board of Governors study and prepare contingency plans during the 1982-83 year for possible implementation in 1983-84 is a positive and reasonable approach. However, the present conditions in the state minimize the chances for that study to occur before a financial solution involving the imposing of fees may be implemented. Recommendation 6 in the ACR-81 report states that $80 million can be obtained from two sources within the community colleges to solve the financial crisis for 1982-83. But that if this money is not available or is not enough, then a general fee should be imposed on all students. I submit that the $80 million is not reasonably available from the sources mentioned. The time needed to frame an improved course classification system would ensure that the process could not be activated before spring, 1983, thereby reducing by one-half the amount of money saved. For colleges losing courses from their credit offerings, target ADA levels must be reduced so that new credit courses need not be added to achieve ADA goals. The reserves may not be legally or politically accessible in the quantities anticipated in the commission's report. Under this recommendation, a general fee seems inevitable. Therefore, other alternative saving measures should be explored by the Board of Governors to ensure a deliberate process during 1982-83 and to minimize the possibility of a uniform fee for next year. Here are several ideas which ought to be investigated further:

The report titled Student Charges, Student Financial Aid and Access to Postsecondary Education prepared by the California Postsecondary Education Commission at the direction of Assembly concurrent resolution 81 proposes radical changes for the California Community Colleges. I am the faculty representative appointed by the Academic Senate for California Community Colleges, to the advisory committee for this study. In this paper, I am registering my concerns about recommendations 5 and 6 in this report, under the heading Policies for the Community Colleges and in particular, my opposition to any imposition of a general fee on all community college students at this time.

The California Postsecondary Education Commission was responsive to comments and suggestions made by the advisory group in preparing this study. However, the final recommendations went far beyond the charge of the Assembly which was to "study the impact of student charges on access to public postsecondary education" in California. Specific dollar amounts to be realized by a reexamination of course classification and reducing state apportionment to districts with available reserves as stated in recommendation six seem outside the boundaries of this charge.

The public social good must be remembered in this time of shrinking funds to support postsecondary education. Public resources should be maintained to support the high priority students (i.e., disadvantaged, minority, women and unskilled) of the state. Currently, the community colleges enroll 28 percent minority, 55 percent female and 46 percent students with income below $12,000 per year (Chancellor's Office, 1981). It has been shown by the Chancellor's Office study in December, 1981, and the New York City University experience (CPEC, 1982) that any uniform nonpermissive fee would necessarily be substantial, since the fee would need to be used to increase student aid and to offset the cost of collection as well as to increase revenues of the colleges. This level of fee would then become a barrier to access to postsecondary education for high priority students. Therefore, a no fee policy should be maintained in programs which have the greatest social good. Any charge imposed has the potential of becoming permanent and forcing the California Community Colleges into the nationwide trend of increasing fees. Reducing access of high priority students by high priority programs will have an adverse affect on the future of California Community Colleges. Between 1964 and 1977, public community college tuition and fees were increased by 291 percent in comparison to 155 percent and 175 percent for public universities and other four year colleges, respectively (Nelson, 1979).

When fees rise in the private, UC and CSUC segments of postsecondary education, students who are excluded because of low resources can attend another segment of the system. Students who are excluded from the community colleges by higher fees and possibly tuition have no other segment to turn to and are essentially denied access to postsecondary education. Thus free education for high priority students in the community colleges should be continued.

In the Commission's report, there are three assumptions which should be examined when discussing the imposition of fees. The first assumption is that adjustments among quality, access, and charges are the only way to compensate for changing availability of state support. It is an over-simplification to assume access should be equal for all and charges should be raised to maintain quality. Two important concepts ought to be explored before raising student charges. First, it is reasonable in times of economic concerns for the community college system to examine course offerings and eliminate courses from

1. Slow the rate at which funds are apportioned to districts.
2. Reconsider aid to large and small districts.
3. Examine apportionment levels for education services contracted with agencies outside the college.
4. Consider an audit program with an appropriate fee attached.
5. Explore other categorical fees which may include registration fees, drop fees and a fee for enrolling in a course from which the student has withdrawn previously.

In summary, the report from the Commission is a responsible approach to the Assembly resolution which identifies many concepts which the Board of Governors should continue to study now and others which should be considered in the near future. However, any uniform, nonpermissive fee applied to the community college students should be avoided to preserve the social benefit of an educated public in California.

REFERENCE

California Postsecondary Education Commission, What Happened at the City University of New York in 1976?, 1982.

Chancellor's Office, California Community Colleges, Course Classification System, Report of Data Collection and Description of Offerings, March, 1982.

Chancellor's Office, California Community Colleges, Analysis of Tuition and Fees, December, 1981.

Susan C. Nelson, Community Colleges and their Share of Student Financial Assistance, Washington, D.C., the Brookings Institute, May 18, 1979, page 34.

Richard C. Richardson, Jr., and Larry L. Leslie, The Impossible Dream? Financing Community College's Evolving Mission, American Association of Community and Junior Colleges, 1980.

The California Postsecondary Education Commission was created by the Legislature and the Governor in 1974 as the successor to the California Coordinating Council for Higher Education in order to coordinate and plan for education in California beyond high school. As a state agency, the Commission is responsible for assuring that the State's resources for postsecondary education are utilized effectively and efficiently; for promoting diversity, innovation, and responsiveness to the needs of students and society; and for advising the Legislature and the Governor on statewide educational policy and funding.

The Commission consists of 15 members. Nine represent the general public, with three each appointed by the Speaker of the Assembly, the Senate Rules Committee, and the Governor. The other six represent the major educational systems of the State.

The Commission holds regular public meetings throughout the year at which it takes action on staff studies and adopts positions on legislative proposals affecting postsecondary education. Further information about the Commission, its meetings, its staff, and its other publications may be obtained from the Commission offices at 1020 Twelfth Street, Sacramento, California 98514; telephone (916) 445-7933.

Assembly Concurrent Resolution No. 81—Relative to student charges.

LEGISLATIVE COUNSEL'S DIGEST

ACR 81, Hart. Student charges.

This measure would direct the California Postsecondary Education Commission to conduct a study of the impact of student charges upon access to public postsecondary education and present its recommendations to the Governor and the Legislature by May 1, 1982.

WHEREAS, The State of California has a long-standing history of tuition-free, low-cost public postsecondary education; and

WHEREAS, Severe state budget constraints necessitate an examination of public postsecondary school finance, including student fees and tuition; and

WHEREAS, There exists no comprehensive state policy concerning the appropriate use of student fees and tuition; now, therefore, be it

Resolved by the Assembly of the State of California, the Senate thereof concurring, That the California Postsecondary Education Commission conduct a study of the impact of student charges on access to public postsecondary education; and be it further

Resolved, That the study include recommendations for state policy on these topics and others relevant to the discussion of student charges, including:

(1) The appropriate relationship between individual and public levels of financial support for postsecondary education.

(2) Which costs of university operations are appropriately borne by students, and the proportion of the expenditures for these operations that should be financed by student charges.

(3) The impact of student charges upon each public postsecondary segment's ability to realize its role and mission in the California Master Plan for Higher Education.

(4) The appropriate distribution of student financial aid among all needy California postsecondary students; and be it further

Resolved, That the California Postsecondary Education Commission conduct this study with the advice and participation of: a student from each public postsecondary segment, appointed by the appropriate student organization; a representative from the administration of each of the segments, appointed by the chief executive of each of the segments; a faculty representative from each of the public postsecondary segments, appointed by the faculty governing body of each of the segments; and a representative each from the Legislative Analyst, the Department of Finance, and the California Student Aid Commission; and be it further

Resolved, That the study be presented to the Governor and the Legislature by May 1, 1982.

ERIC Clearinghouse for Junior Colleges
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